

**COMMITTEE ON
FINANCIAL SERVICES**

SUBCOMMITTEES:
VICE CHAIRMAN, FINANCIAL INSTITUTIONS AND
CONSUMER CREDIT
HOUSING AND INSURANCE
MONETARY POLICY AND TRADE

CONGRESSIONAL WESTERN CAUCUS

CHAIRMAN EMERITUS

CONGRESSIONAL PRAYER CAUCUS

**UNITED STATES
HOUSE OF REPRESENTATIVES**



STEVAN PEARCE
Second District, New Mexico

323

2432 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515

OFFICE NUMBERS
(575) 522-0771 NEW MEXICO
(202) 225-2365 WASHINGTON, D.C.

PEARCE.HOUSE.GOV
FACEBOOK.COM/REPSTEVEPEARCE
@REPSTEVEPEARCE

Received & Inspected

MAY 01 2018

FCC Mailroom

April 27, 2018

The Honorable Ajit Pai
Chairman
Federal Communications Commission
445 12th Street SW
Washington, D.C., 20554

Dear Chairman Pai:

I am writing today to express my disappointment that Mescalero Apache Telecom, Inc. (MATI) was not included in the Federal Communications Commission's (FCC) operating expense relief order (Order) that addresses the high cost of providing broadband on Tribal lands. After over a year of the FCC sitting on the Order that would give a few companies serving Tribal communities relief because of the high cost associated with providing broadband in rural, high cost areas, an additional eligibility requirement was added to the Order that only excludes MATI.

The new eligibility requirement excludes MATI by requiring carriers to deploy 10/1 Mbps broadband to 90 percent of the eligible locations. This stipulation punishes MATI for building out its network to serve as many people as possible; something that policy makers and the FCC have encouraged for years. By disqualifying MATI from operating expense relief, the FCC is giving less incentives for tribes to build out their networks to as many members of their communities as possible. Additionally, MATI is located on the side of a mountain where building out their network to this extent has greatly increased their operating expenses; not reduced them.

No matter how much network a Tribal carrier has built, they still, on average, have higher operational costs. For these reasons, I ask that the FCC reconsider this requirement that is keeping MATI from obtaining the much-needed operating expense relief it needs.

Sincerely,

Steve Pearce
Congressman

CC: Commissioner Michael O'Rielly



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 8, 2018

The Honorable Stevan Pearce
U.S. House of Representatives
2432 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Pearce:

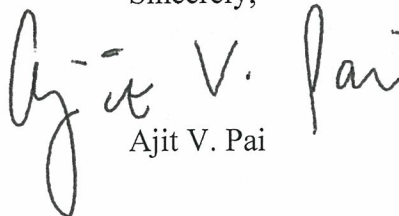
Thank you for your letter concerning the Commission's recent Order on operating-expense limitations on Tribal lands and its impact on Mescalero Apache Telecom, Inc. (Mescalero). To be sure, the Commission's April 2018 Order, which allows certain rate-of-return carriers serving Tribal communities to recover higher levels of operational expenses from the Universal Service Fund, will result in additional funding to deploy both voice and broadband services on Tribal lands. I agree, however, that the Order did not go far enough in extending support to more carriers that serve Tribal lands, including Mescalero.

Indeed, the final Order voted by the Commission was not the same Order I originally proposed in February 2017, a few weeks after I became Chairman. In the interest of finally getting something done after many months, I chose to find agreement with those commissioners who were willing to work in good faith on ways to help at least some carriers serving Tribal lands. Although the Order may not provide support to all carriers serving Tribal lands, the action will enhance the ability of many carriers to bring digital opportunity to communities on Tribal lands.

Of course, more needs to be done. That's why, for example, the Commission recently agreed to solicit public input on the adoption of a Tribal Broadband Factor, which would provide additional financial assistance to carriers serving Tribal lands.

I appreciate your interest in promoting broadband deployment in Tribal areas and throughout the country, and I look forward to continuing to work with you to close the digital divide. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in dark ink, reading "Ajit V. Pai". The signature is fluid and cursive, with the first name "Ajit" being particularly prominent.

Ajit V. Pai